

Mr. FRANK of Massachusetts. Speaking of foreclosure, there are two Members of this House who have done the most to keep before us the need to diminish foreclosures, one of them is the gentlewoman from Ohio (Ms. Kaptur). I yield the gentlewoman 4 minutes.

Ms. KAPTUR. Thank you, Chairman **FRANK**, very much for the time and for your generous comments, and effort you have made to fix a tragic economic meltdown in our country. I rise today to urge my colleagues to vote for no more money for Wall Street.

Today, the House will vote on whether to disagree with the \$350 billion in additional funding for Wall Street banks. Those of us who are here on the floor today say ``no more money." I urge my colleagues to withhold further taxpayer funding to Wall Street.

The housing foreclosure crisis is at the crux of our economic meltdown. And until we fix that, more money to Wall Street is but a massive diversion and a ruse. Treasury took our taxpayers' money in the last-minute raid before last November's election as it stamped Congress into hasty, misguided and wrong action. The argument was, we better do something because we don't want to be blamed for whatever might go wrong. There was little thought, there was a lot of fear.

Well, plenty continues to go wrong. The Dow has dipped below 8,000. Homeowners are losing their homes at an accelerating rate. The latest foreclosure numbers underscore the need. Nationally, foreclosure filings surged to 303,000 last month, 303,000 families--that's probably close to a million people, an increase of 17 percent over the prior month and 41 percent from the same month the prior year. These are staggering numbers.

All that Wall Street has done with our money is try to cover its tracks, allowing big wrongdoers to benefit by coming under the protection of the Bank Holding Company Act--they think we don't notice--by giving those gambling houses deposit insurance which they never paid for. Worst of all, our homeowners weren't helped. They're still being bilked and losing their homes.

How has Wall Street bilked the public? Let me count the ways. First, predatory loan practices have squeezed out equity from homeowners across our country by over-leveraging the market, earning Wall Street hundreds of billions of dollars while the good times lasted. And then, second, when the bubble burst, they placed the trillion dollar burden of their schemes and massive losses onto the U.S. taxpayer that our children and grandchildren are being asked to

pay.

Third, Wall Street banks further enriched themselves by refusing to do loan workouts, which was the original purpose of TARP. And fourth, instead, banks are using the money to buy banks and further concentrate financial power in the hands of very few who you can track right back to Wall Street.

Meanwhile, at the Main Street level, the suffering continues. Fifth, as Wall Street contracts with absentee auction houses to auction foreclosed properties at fire sale prices in Toledo and Sandusky and Cleveland, indeed all across this country, while booking any tax losses on those properties due to declining property values on their Federal taxes for 2008. Another bonanza to them.

Banks are ensuring they will benefit on the upside too as the mortgage market recovers as the taxpayer-insured Federal Housing Administration's capabilities are enlarged to buy up those very mortgages. And they're hoping that as families might fall into bankruptcy, that maybe the courts will take care of this too. All the burden is on the homeowner, nothing to hold accountable those who have done the real wrong.

Believe it or not, Wall Street is now luring cash-strapped local governments into schemes to avoid loan workouts to earn money at the local level from high fees through quick recovery of tax liens owed while Wall Street fails to inform homeowners of taxes owed. And those Wall Street firms are earning huge profits--are you ready for this? Eighteen percent on this scheme alone.

You know, a bank's power, unlike any other organization in our country, is to create money. They don't print it. Instead, through loans, they create money through transactions that earn money and then relend that.

The SPEAKER pro tempore. The time of the gentlewoman has expired.

Ms. FOXX. Mr. Speaker, I yield Ms. Kaptur an additional minute.

Ms. KAPTUR. I thank the gentlelady and I thank the gentleman.

It is an awesome power, the power to create money. None of us have that power unless one considers fraud or forgery. But the gambling houses on Wall Street did exactly that, they created money recklessly, using mortgages way beyond what the underlying asset could return. They don't deserve any reward.

Vote ``no" on the second Wall Street bailout. It's just more of the same. Treasury and Wall Street broke their promise the first time, why reward them again? Let's use the appropriate agencies--the Federal Deposit Insurance Corporation, the Securities and Exchange Commission and HUD--to do the workouts that are necessary. Stop the suffering that I see every week when I return home to my district and places across this country where the American people have had the door slammed in their face.

What a difficult time is being experienced by millions and millions of our families. How can we possibly reward Wall Street again when they've turned their backs on the very people they're asking to pay the bill?

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But what the gambling houses on Wall Street did was create money recklessly, leveraging mortgages way beyond what the underlying asset could return. Wall Streets bankers are so powerful--and arrogant--and breed such special relationships inside our federal government, that they are not only spared the disciplined rules of the market we must live by, they are spared prosecution, so far.

They are so powerful, they repeatedly abuse their power--and then run to our taxpayers about every ten years to bail them out. Wall Street banks have special pull up here in Washington through the Treasury and Federal Reserve, their campaign contributions, and the

revolving door between Washington and Wall Street.

They consistently enrich themselves by indebting the American people for their excess. They've committed crimes much larger than the last excesses of the savings and loan crisis of the 1980's and 1990's. The cost of those massive excesses too was thrown onto the public and became the third largest component of America's long term debt. Then, Wall Street bankers make plenty of money selling those U.S. debt bonds too. It's a win-win for them.

Some would say they make money coming and going! So we have another fraudulent meltdown with another Congress and now another President. We run the risk of being cowed again by their power, rather than holding them accountable for their abusive behavior. They are rewarded again in this bill ..... transferring \$350 billion more in taxpayer bailout today to paper over the losses.

Yet nothing has been done to turn a face to the taxpayers and mortgage holders who are bearing the personal cost of Wall Street's chicanery. Who will pay Wall Street's bills?

Without our imposing rigor, before more \$ is showered on them, a culture of excess will flourish and become the norm. America cannot afford more excess and more greed. The latest group of victims--homeowners--got shunted aside in the first \$350 billion Wall Street bailout. Nothing, nothing was done to help them, even though it was promised, promised, promised as the key reason for passage of the bailout last year.

The first objective should be expedited workouts as the mortgage foreclosure crisis is driving our economy into ruins. You fix that by doing those mortgage loan workouts, one by one, using the tried and true FDIC, its bank examiners along with the SEC accounting authorities. That isn't being done. I'm saying families being foreclosed not leave their houses--to squat--unless Wall St. bailout services can produce a full mortgage audit. Who holds your loan? Let them disclose they have followed truth in lending and RESPA laws.

Treasury--Wall Street's biggest advocate--has been charged with mortgage workouts. It has failed our people miserably. Why? It is not capable of being the mortgage workout instrumentality of our government. The appropriate agencies are the FDIC, SEC, and HUD.

Vote ``no" on the second Wall St. bailout. It's just more of the same. Treasury and Wall Street broke their promise the first time. Why trust them again? Let the new President use the agencies that have the rigor to solve the home foreclosure crisis, not the one that is Wall St. biggest advocate to cover up Wall Street's abuses and greed.

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